

WHEREAS, Undue increases in natural gas prices will lead to uneconomic fuel switching by industries thereby needlessly increasing dependence upon imported oil; and

WHEREAS, Anti-competitive increases in natural gas prices will result in less investment capital being available to the nation's industries and further exacerbate decline in employment; and

WHEREAS, Gas production will not be improved by immediate, full deregulation; and

WHEREAS, Institutional barriers to rational market ordering, most of which are federal regulatory policies, need to be removed; and

WHEREAS, The Federal Energy Regulatory Commission has remedial and direct jurisdiction to remedy most of the institutional defects and to infuse the regulatory process with market disciplines; and

WHEREAS, Current federal regulatory policy with respect to the contracts problem, pipeline purchasing practices and the fraud or abuse standard, pipeline rate design, purchased gas adjustment clauses, prepayments, off-system sales, and affiliate production, if unchecked, will act in combination to permit producers to price-discriminate in an anti-competitive manner; and

WHEREAS, The General Assembly of Maryland recognizes the importance of competitive behavior in the natural gas marketplace and recognizes that needless, potentially excessive anti-competitive price increases are on the horizon, and further is resolved to protect the citizens of Maryland from such abusive prices for natural gas; now, therefore, be it

RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Congress of the United States of America is requested:

(1) To investigate the purchasing practices of the natural gas pipeline transmission companies;

(2) To review and consider the public interest quality of any further deregulation versus the reimposition of wellhead price controls for natural gas;

(3) To investigate and review the desirability and feasibility of legislatively remedying the "contracts problem";

(4) To review and, if necessary, more specifically define fraud or abuse as intended in Section 601(c) of the Natural Gas Policy Act;

(5) To consider imposing "common carrier" status upon pipeline transmission companies; and